Community Development Financial Institutions

The Role of CDFIs in Building Healthy Communities

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Objectives

- Review history of CDFIs: What are they and who do they serve?
- Forward Community Investments: Mission, vision, history and what we do
- Connection of CDFIs to community projects
- Projects funded by FCI
- Questions
- Reach out . . .



CDFIs Today

CDFIs are:

- Private mission-driven financial institutions
- Dedicated to serving customers that cannot meet conventional underwriting requirements
- Profitable but not profit-maximizing
- Put community first, not the shareholder
- Create economic opportunity: jobs, affordable housing, community services



Organization of CDFIs

- CDFIs operate in a variety of organizational forms to meet the needs of credit, capital and financial services in underserved target markets
- CDFIs are:
 - Housing, Business & Micro Loan Funds
 - Community Development Venture Capital Funds
 - Insured Banks and Thrifts and Credit Unions
 - Bank Holding Companies



Investors Fuel CDFIs

Regulatory Investors:

Banks and Credit Unions

Corporations

Insurance Companies

Mission Motivated Investors:

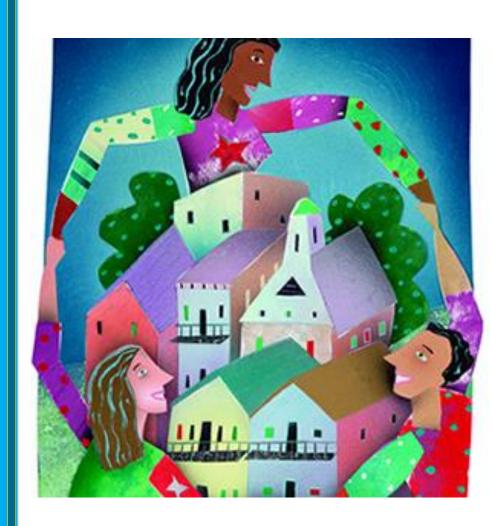
Faith Communities

Individuals

Cooperatives

Nonprofits

Foundations





CDFIs = Opportunity https://vimeo.com/32012679





Best Practices of CDFIs

Public Private Partnerships

For-profit/
Nonprofit
Collaborations

Innovative Community Development



CDFI Loans

- CDFIs provide loans to :
 - MICROENTERPRISES & BUSINESSES
 - NONPROFIT ORGANIZATIONS
 - INDIVIDUALS
- These loans:
 - CREATE JOBS
 - BUILD LONG-TERM FINANCIAL SUSTAINABILITY
 - STABILIZE COMMUNITIES



Community beneficiaries of CDFI Loans



Wisconsin CDFIs

- 11 community development loan funds
- 2 microenterprise funds
- 2 community development banks
- 6 community development credit unions



Forward Community Investments

We are...



a statewide community development financial institution (CDFI)



providing mission-based financing,



advisory services,



and grants to Wisconsin mission-based organizations.



An equitable and inclusive Wisconsin built on cooperative social action



We work in communities across WI with organizations that are addressing the root causes of social, racial and economic disparities and inequities.

Since 1996...

\$70M+

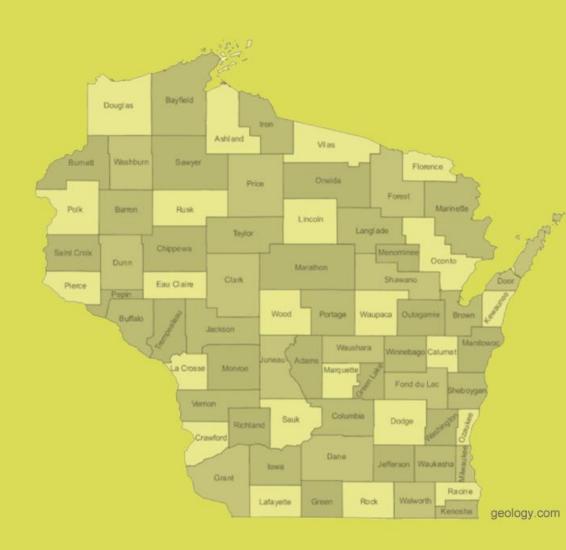
was lent to 150+ missionbased organizations

500+

organizations received advising and training

\$3M

was made in grants





Forward Community Investments In Action







Food Enterprise & Economic Development Kitchens: FEED







\$1+ million 5,500 square foot kitchen facility



FEED: Healthy Food Enterprise

- The FEED facility includes five commercial kitchens, with specialized equipment for baking, produce preparation and processing, deli prep and meat processing
 - Also included is a training kitchen for community use to teach food service and preparation skills
- The facility is available for rent by the hour to small food businesses and individuals, giving them a legal place to prepare their food



FCI: FEED Kitchens

- FEED raised almost \$1 million from the City of Madison and various businesses and individuals
- Received social impact investments from local residents
- FCI provided a low-interest loan for the gap between dollars raised and dollars needed





Designed by TownMapsUSA.com





\$3 million 18,000 square foot, two-story facility



Walnut Way: Innovation and Wellness Commons

- Walnut Way: community organization in Lindsay Heights that is promoting neighborhood revitalization via food
- New building includes a pathway to healthy food options
- Home to Outpost Natural Foods Co-op, Juice Kitchen, Fondy Food Center offices and Milwaukee Center for Independence



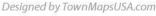
FCI: Walnut Way

- Provided gap financing
 - After raising \$2.5 million from multiple sources, a \$500,000 gap remained
 - FCI stepped in to provide the last \$500,000
 - Loan allowed construction to proceed and finish on time



Forward Community Investments In Action







\$16M Platteville Redevelopment





Public : For-Profit : Nonprofit Collaboration

- PUBLIC: City of Platteville + WI Housing & Economic Development Authority
- FOR-PROFIT: United Development Solutions,
 MN developer + private investors +
 community bank
- NONPROFIT: Forward Community Investments + Southwest WI Community Action Program



Project Outcomes

- FCI provided \$6 million in New Market Tax Credits that resulted in an infusion of \$1.5 million cash into the project
- Resulted in the development of a rural health clinic and a community library





Central Wisconsin Health Partnership (CWHP)

- A health consortium covering a six-county region including Adams, Green Lake, Juneau, Marquette, Waupaca, and Waushara Counties
- The partnership includes county human services and public health departments, a Federally Qualified Health Center and other interested healthcare advocates and providers in the region
- In 2015, CWHP hosted the CWHP Economic Health Summit: Growing Vital Communities
- Continues to grow the capacity of its partner organizations



Project Outcomes

- FCI is facilitating the conversations among the CWHP partners: growing their capacity to work together
- FCI helped execute the Economic Health Summit: Growing Vital Communities in summer 2015
- Remains a work-in-progress



What Do All of These Projects Have in Common?

- Lots of time years not months to get from concept to "let's open the doors"
- Multiple cross-sector stakeholders nonprofit, for-profit and government partners
- Money came from multiple sources for multiple purposes – starting with pre-development to construction to operations
- One dedicated person who carried the torch



Final Questions

- When is it appropriate for an organization or project to seek financing from a CDFI?
- How does an organization or project qualify for financing?
- What steps can an organization take to qualify for financing from a CDFI?
- In addition to financing, what are other ways a CDFI can help an organization?





For information about CDFIs and Forward Community Investments, go to www.forwardci.org or reach out to me at sallim@forwwardci.org

